

Nuclear Regulatory Commission

§ 8.2

§ 7.22 Fiscal and administrative responsibilities.

(a) The Office of the Chief Financial Officer shall keep such records as will fully disclose the disposition of any funds that may be at the disposal of NRC advisory committees.

(b) The Office of Information Services shall keep such records as will fully disclose the nature and extent of activities of NRC advisory committees.

(c) NRC shall provide support services (including staff support and meeting space) for each advisory committee established by or reporting to it unless the establishing authority provides otherwise. Where any such advisory committee reports to another agency in addition to NRC, only one agency shall be responsible for support services at any one time, and the establishing authority shall designate the agency responsible for providing such services.

[54 FR 26948, June 27, 1989, as amended at 63 FR 15742, Apr. 1, 1998]

PART 8—INTERPRETATIONS

Sec.

8.1 Interpretation of section 152 of the Atomic Energy Act of 1954; opinion of the General Counsel.

8.2 Interpretation of Price-Anderson Act, section 170 of the Atomic Energy Act of 1954.

8.3 [Reserved]

8.4 Interpretation by the General Counsel: AEC jurisdiction over nuclear facilities and materials under the Atomic Energy Act.

8.5 Interpretation by the General Counsel of § 73.55 of this chapter; illumination and physical search requirements.

AUTHORITY: Secs. 152, 161, 68 Stat. 944, 948, as amended; 42 U.S.C. 2182, 2201.

§ 8.1 Interpretation of section 152 of the Atomic Energy Act of 1954; opinion of the General Counsel.

(a) Inquiries have been received as to the applicability of the provisions of section 152 of the Atomic Energy Act of 1954 (68 Stat. 944) to inventions or discoveries made or conceived in the course of activities under licenses issued by the Atomic Energy Commission.

(b) In my [General Counsel, U.S. Atomic Energy Commission] opinion a

license issued by the Atomic Energy Commission is not a “contract, subcontract, arrangement or other relationship with the Commission” as those terms are used in section 152 of the act. Hence, the mere fact that an invention or discovery is made by a licensee in the course of activities authorized by a license would not give the Commission rights under section 152 with respect to such invention or discovery. On the other hand, if a licensee has entered into a “contract, subcontract, arrangement or other relationship with the Commission,” inventions or discoveries made or conceived by the licensee under the contract or other relationship would come within the purview of section 152.

(c) As used in this section, “license” means a license issued pursuant to Chapter 6 (Special Nuclear Material), 7 (Source Material), 8 (Byproduct Material) or 10 (Atomic Energy Licenses) of the Atomic Energy Act of 1954, or a construction permit issued pursuant to section 185 of the act.

[21 FR 1414, Mar. 3, 1956]

§ 8.2 Interpretation of Price-Anderson Act, section 170 of the Atomic Energy Act of 1954.

(a) It is my opinion that an indemnity agreement entered into by the Atomic Energy Commission under the authority of the Atomic Energy Act of 1954 (42 U.S.C. 2011, *et seq.*), hereafter cited as “the Act,” as amended by Pub. L. 85-256 (the “Price-Anderson Act”) 42 U.S.C. 2210 indemnifies persons indemnified against public liability for bodily injury, sickness, disease or death, or loss of or damage to property, or for loss of use of property caused outside the United States by a nuclear incident occurring within the United States.

(b) Section 170 authorizes the Commission to indemnify against “public liability” as defined in section 11(u) of the Act.¹ Coverage under the Act

¹SEC. 11u. “The term ‘public liability’ means any legal liability arising out of or resulting from a nuclear incident, except claims under State or Federal Workmen’s Compensation Acts of employees of persons indemnified who are employed at the site of and in connection with the activity where the nuclear incident occurs, and except for

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therefore is predicated upon “public liability,” and requires (1) “legal liability” for (2) a “nuclear incident.” Determination of the Act’s coverage, therefore, necessitates a finding that these two elements are present.

(c) In the case of damage outside of the United States caused by a nuclear facility based in the United States there would be a “nuclear incident” as defined in section 11(o) since there would be an “occurrence within the United States causing *** damage.”² The “occurrence” would be “within the United States” since “occurrence” is intended by the Act to be “that event at the site of the licensed activity *** which may cause damage rather than the site where the damage may perhaps be caused.” (S. Rep. 296, 85th Cong., 1st Sess., p. 16 1957) (hereafter cited as Report). In section 11(o) an “occurrence” is that which causes damage. It would be, therefore, an event taking place at the site. This definition of “occurrence” is referred to in the Report at page 22 and is crucial to the Act’s placing of venue under section 170(e).³ 027 In its definition of “nuclear incident.” The Act makes no limitation upon the place where the damage is received but

claims arising out of an act of war. ‘Public Liability’ also includes damage to property of persons indemnified: *Provided*, That such property is covered under the terms of the financial protection required, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs.”

²Sec. 11o. “The term ‘nuclear incident’ means any occurrence within the United States causing bodily injury, sickness, disease, or death, or loss of or damage to property, or for loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of source, special nuclear, or byproduct material: ***”

³“In order to provide a framework for establishing the limitation of liability, the Commission or any person indemnified is permitted to apply to the appropriate district court of the United States which has venue in bankruptcy matters over the site of the nuclear incident. Again it should be pointed out that the site is where the occurrence takes place which gives rise to the liability, not the place where the damage may be caused ***” Report, p. 22.

states only that the “occurrence” must be within the United States.

(d) Similarly, the requirement of “legal liability” would be met. The words of the Act impose no limitation that the liability be one for damage caused in the United States but, on the contrary, are exceedingly broad permitting indemnification for “any legal liability.” In the most exhaustive study of the subject, it is stated that the phrase “any legal liability” indicates that liability for damage outside the United States is covered by the Act. Atomic Industrial Forum, Financial Protection Against Atomic Hazards 61 n. 355 (1957).

(e) Thus the precise language of the Act provides coverage for damage ensuing both within and without the United States arising out of an occurrence within the United States. There would be no occasion for doubt were it not for a single statement contained in the Report of the Joint Committee on Atomic Energy on the Price-Anderson Act. The Report states, at p. 16 that “[i]f there is anything from a nuclear incident at the licensed activity which causes injury abroad, or if there is any activity abroad which causes further injury in the United States the situation will require further investigation at that time.” This sentence follows an explicit and lengthy statement that the “occurrence” is an event at the site of the activity:

* * * The occurrence which is the subject of this definition is that event at the site of the licensed activity, or activity for which the Commission has entered into a contract, which may cause damage, rather than the site where the damage may perhaps be caused. This site must be within the United States. The suggested exclusion of facilities under license for export was not accepted. This is because the definition of “nuclear incident” limits the occurrence causing damage to one within the United States. It does not matter what license may be applicable if the occurrence is within the United States. If there is anything from a nuclear incident at the licensed activity which causes injury abroad or if there is any activity abroad which causes further injury in the United States the situation will require further investigation by the Congress at that time * * *

Read literally, the last sentence would seem inconsistent with the preceding

statement. It is, however, possible to read the sentence as consistent with the preceding statement if it is taken as indicating a recognition by Congress of the fact that the statutory limitation of liability to \$500,000,000 would probably not limit claims by foreign residents to that amount in foreign courts and that therefore the persons indemnified were not fully protected against bankrupting claims, one of the primary purposes of the bill.⁴

(f) The point in question received scant consideration during the hearings preceding adoption of the bill held by the Joint Committee on Atomic Energy. A summary of the study of the Atomic Industrial Forum, cited above, was introduced into the record of the hearing and included a conclusion that the provisions of the bill seemed to cover the situation.⁵ That conclusion would seem entitled to more than ordinary weight since the Forum study received the careful consideration of the Joint Committee,⁶ and the study referenced a statement from the 1956 Report very similar to the confusing statement in the 1957 Report noted above.⁷

(g) There was also a rather ambiguous colloquy in the hearings between Representative Cole and Mr. Charles Haugh in which Representative Cole indicated that the Joint Committee

"* * * will do pretty well if we successfully protect the American people and property owners in this country without worrying about those that live abroad."⁸

(h) Congress, in enacting the Price-Anderson Indemnity Act added to section 2 of the Atomic Energy Act of

1954, a new subsection which stated, *inter alia*:

In order * * * to encourage the development of the atomic energy industry, * * * the United States may make funds available for a portion of the damages suffered by the public from nuclear incidents and may limit the liability of those persons liable for such losses.

This statutory purpose is frustrated if the atomic energy industry is not protected from bankrupting liabilities for damages caused abroad by an accident occurring in the United States.⁹ In the Report, the Joint Committee on Atomic Energy made explicit mention of the fact that the private insurance to be provided for reactor operators included

⁹The Atomic Industrial Forum study notes that "[T]o be adequate, the governmental indemnity must cover industry's liability to residents of the countries who suffer as a result of an accident at an installation based in the United States." p. 61. This is certainly the case and one of the major Congressional purposes is frustrated should the Act be said to be unclear on this point. The principal reason for the conclusion that there is coverage reached in the Forum study is the fact that Price-Anderson provides indemnity for "any legal liability." Arthur Murphy, Director of the study, in a recent article, has stated that the confusing sentence in the Report is " * * * inconsistent with the flat coverage of any legal liability by the indemnity." Murphy, *Liability for Atomic Accidents and Insurance, in Law and Administration in Nuclear Energy 75* (1959). In the testimony before the Joint Committee last year, Professor Samuel D. Estep, one of three authors of the comprehensive study of Atoms and the Law apparently relying upon the legislative history, stated that the problem of a reactor accident in the United States causing damage in a foreign country was unclear, presumably since he considered the phrase "any legal liability" directed at a different problem. Hearings before the Joint Committee on Atomic Energy, *Indemnity and Reactor Safety*, 86th Cong., 1st Sess., p. 77 (1959); Stason Estep, and Pierce, *Atoms and the Law*, 577 (1959). Professor Estep stated that there "surely ought to be" coverage and suggested a clarifying amendment. His statement that the phrase "any legal liability" covers only the question of time restrictions for claims seems to me erroneous since the language used, "any legal liability," seems intentionally broad. Additionally, should this very narrow reading be given to admittedly broad statutory language, the Congressional purpose would be frustrated.

⁴Atomic Industrial Forum, *Financial Protection Against Atomic Hazards, The International Aspects*, p. 52 (1959).

⁵Hearings before the Joint Committee on Atomic Energy, *Governmental Indemnity and Reactor Safety*, 85th Cong., 1st Sess., p. 181 (1957) (hereinafter referred to as "Hearings.")

⁶Hearings, p. 168.

⁷Hearings, p. 182.

⁸Hearings, p. 97. It is significant to note that Mr. Haugh stated at that point the problem of the reactor operator who is concerned with any type of liability. He noted that the insurance contracts would cover " * * * the instance where * * * something happen[ed] out of the country and a suit is brought in the United States on that."

§ 8.3

10 CFR Ch. I (1–1–11 Edition)

coverage for damage in Canada and Mexico and, at another point, noted the Committee's hope that the insurance contract in its final form would cover the same scope as the bill.¹⁰

(i) It is my opinion that since the language of the Act draws no distinction between damage received in the United States and that received abroad, none can properly be drawn. To read the Act as imposing such a limitation in the absence of statutory direction and in the light of an avowed Congressional intention to encourage the development of the atomic energy industry would be unwarranted. The confusing sentence cited in the Report must, therefore, be read consistently with the language of the Act in the manner suggested above, i.e., as recognizing Congressional inability to limit foreign liability, or must be ignored as inconsistent with the broad coverage of the statutory language.

[25 FR 4075, May 7, 1960]

§ 8.3 [Reserved]

§ 8.4 Interpretation by the General Counsel: AEC jurisdiction over nuclear facilities and materials under the Atomic Energy Act.

(a) By virtue of the Atomic Energy Act of 1954, as amended,¹¹ the individual States may not, in the absence of an agreement with the Atomic Energy Commission, regulate the materials described in the Act from the standpoint of radiological health and safety. Even States which have entered into agreements with the AEC lack authority to regulate the facilities described in the Act, including nuclear power plants and the discharge of effluents from such facilities, from the standpoint of radiological health and safety.

(b) The Atomic Energy Act of 1954 sets out a pattern for licensing and regulation of certain nuclear materials and facilities on the basis of the common defense and security and radiological health and safety. The regulatory pattern requires, in general, that the construction and operation of production facilities (nuclear reactors

used for production and separation of plutonium or uranium-233 or fuel reprocessing plants) and utilization facilities (nuclear reactors used for production of power, medical therapy, research, and testing) and the possession and use of byproduct material (radioisotopes), source material (thorium and uranium ores), and special nuclear material (enriched uranium and plutonium, used as fuel in nuclear reactors), be licensed and regulated by the Commission.¹² In carrying out its statutory responsibilities for the protection of the public health and safety from radiation hazards and for the promotion of the common defense and security, the AEC has promulgated regulations which establish requirements for the issuance of licenses (Parts 30–36, 40, 50, 70, 71, and 100 of this chapter) and specify standards for radiation protection (part 20 of this chapter).

(c) The Atomic Energy Act of 1954 had the effect of preempting to the Federal Government the field of regulation of nuclear facilities and byproduct, source, and special nuclear material. Whatever doubts may have existed as to that preemption were settled by the passage of the Federal-State amendment to the Atomic Energy Act of 1954 in 1959.¹³

(d) Prior to 1954, all nuclear facilities and the special nuclear material produced by or used in them were owned by the AEC.¹⁴ This Federal monopoly of atomic energy activities was due in large part to the use of atomic energy materials and facilities in our national weapons program, and the large capital investment required for their development. The Atomic Energy Act of 1954 permitted private ownership of nuclear facilities for the first time, but only

¹²The terms "byproduct material," "source material," and "special nuclear material" are defined in the Atomic Energy Act, sections 11e, 11z, and 11aa, respectively. The terms "production facility" and "utilization facility" are defined in sections 11v and 11cc of the Act, respectively.

¹³Pub. L. 86–373, 73 Stat. 688.

¹⁴Atomic Energy Act of 1946, Pub. L. 79–585, 60 Stat. 755.

¹⁰Report, p. 11.

¹¹Pub. L. 83–703, 68 Stat. 919.

under a comprehensive, pervasive system of Federal regulation and licensing. That Act recognized no State responsibility or authority over such facilities and materials except the States' traditional regulatory authority over generation, sale, and transmission of electric power produced through the use of nuclear facilities.¹⁵ As interest grew in the private construction of facilities and the use of atomic energy materials, and the numbers of persons qualified in the field increased, questions arose as to the role State authorities should play with regard to the public health and safety aspects of such activities. Several bills were introduced with respect to Federal-State cooperation in 1956 and 1957.¹⁶ An AEC proposed bill which would have authorized concurrent radiation safety standards to be enforced by the States was forwarded to the Joint Committee on Atomic Energy in 1957, but was never reported out. Finally, in 1959, legislation was enacted whose purpose was to promote an orderly regulatory pattern between the Federal and State governments with respect to regulation of byproduct, source, and special nuclear material, while avoiding dual regulation (see section 274a). That legislation added section 274, the so-called Federal-State amendment, to the Atomic Energy Act.

(e) Section 274 (42 U.S.C. 2021) authorizes the Commission to enter into an agreement with the Governor of any State providing for the discontinuance of regulatory authority of the Commission with respect to byproduct materials, source materials, and special nuclear materials in quantities not sufficient to form a "critical mass." However, section 274c (42 U.S.C. 2021(c)) provides that the Commission shall retain authority and responsibility with respect to the regulation of:

(1) The construction and operation of production or utilization facilities (note: this includes construction and operation of nuclear power plants);

(2) The export and import of by-product, source or special nuclear material or production or utilization facilities;

(3) The disposal into the ocean of waste byproduct, source or special nuclear materials; and

(4) The disposal of such other byproduct, source or special nuclear material as the Commission determines should, because of the hazards or potential hazards thereof, not be so disposed of without a Commission license.

(f) The amendment, in providing for the discontinuance of some of the AEC's regulatory authority over source, by-product and special nuclear material in States which entered into agreements with the AEC, made clear that there should be no "dual regulation" with respect to those materials for the purpose of protection of the public health and safety from radiation hazards.

(g) Section 274b of the Atomic Energy Act (42 U.S.C. 2021(b)) states that:

During the duration of such an agreement it is recognized that the State shall have authority to regulate the materials covered by the agreement for the protection of the public health and safety from radiation hazards.

Section 274k (42 U.S.C. 2021(k)) states:

Nothing in this section shall be construed to affect the authority of any State or local agency to regulate activities for purposes other than protection against radiation hazards.

(h) In its comments on the bill that was enacted as section 274, the Joint Committee on Atomic Energy commented that:

It is not intended to leave any room for the exercise of dual or concurrent jurisdiction by States to control radiation hazards by regulating byproduct, source, or special nuclear materials. The intent is to have the material regulated and licensed either by the Commission, or by the State and local governments, but not by both.¹⁷

In explaining section 274k, the Joint Committee said:

As indicated elsewhere, the Commission has exclusive authority to regulate for protection against radiation hazards until such time as the State enters into an agreement with the Commission to assume such responsibility.¹⁸

¹⁵ Sec. 271, 42 U.S.C. 2018.

¹⁶ S. 4298 and H.R. 8676, 84th Cong., second session; S. 53, 85th Cong., first session.

¹⁷ 1959 U.S. Code Congressional and Administrative News, v. 2, p. 2879.

¹⁸ Id. at pp. 2882-3.

(i) It seems completely clear that the Congress, in enacting section 274, intended to preempt to the Federal Government the total responsibility and authority for regulating, from the standpoint of radiological health and safety, the specified nuclear facilities and materials; that it stated that intent unequivocally; and that the enactment of section 274 effectively carried out the Congressional intent, subject to the arrangement for limited relinquishment of AEC's regulatory authority and assumption thereof by states in areas permitted, and subject to conditions imposed, by section 274.¹⁹

(j) Thus, under the pattern of the Atomic Energy Act, as amended by section 274, States which have not entered into a section 274 agreement with the AEC are without authority to license or regulate, from the standpoint of radiological health and safety, byproduct, source, and special nuclear material or production and utilization facilities. Even those States which have entered into a section 274 agreement with the AEC (Agreement States) lack authority to license or regulate, from the standpoint of radiological health and safety, the construction and operation of production and utilization facilities (including nuclear power plants) and other activities reserved to the AEC by section 274c. (To the extent that Agreement States have authority to regulate byproduct, source, and special nuclear material, their section 274 Agreements require them to use their best efforts to assure that their regulatory programs for protection against radiation hazards will continue to be compatible with the AEC's program for

the regulation of byproduct, source and special nuclear material.)

(k) The following judicial precedents and legal authorities support the foregoing conclusions: Northern California Ass'n, Etc. v. Public Utilities Commission, 37 Cal. Rep. 432, 390 P. 2d 200 (1964); Boswell v. City of Long Beach, CCH Atomic Energy Law Reports, par. 4045 (1960); Opinion of the Attorney General of Michigan (Oct. 31, 1962); Opinion of the Attorney General of South Dakota (July 23, 1964); New York State Bar Association, Committee on Atomic Energy, State Jurisdiction to Regulate Atomic Activities (July 12, 1963). No precedents or authorities to the contrary have come to our attention.

[34 FR 7273, May 3, 1969]

§ 8.5 Interpretation by the General Counsel of § 73.55 of this chapter; illumination and physical search requirements.

(a) A request has been received to interpret 10 CFR 73.55(c)(5) and 73.55(d)(1). 10 CFR 73.55(c)(5) provides:

Isolation zones and all exterior areas within the protected area shall be provided with illumination sufficient for the monitoring and observation requirements of paragraphs (c)(3), (c)(4), and (h)(4) of this section, but not less than 02 footcandle measured horizontally at ground level.

(b) The requester contends that the regulation is satisfied if 0.2 footcandle is provided only at the protected area boundary and the isolation zone. The language of the regulation is clearly to the contrary. It requires not less than 0.2 footcandle for "all exterior areas within the protected area." This regulation helps effectuate the monitoring and observation requirements of 10 CFR 73.55. For example, 10 CFR 73.55(c)(4) states that "All exterior areas within the protected area shall be periodically checked to detect the presence of unauthorized persons, vehicles, or materials." In the absence of illumination, such checking could not be fully effective.

(c) The requester also asks whether the illumination requirement extends to the tops and sides of buildings within the protected area. To effectuate the monitoring and observation requirements cited above, illumination must

¹⁹ As noted above, regulation of construction and operation of production or utilization facilities was one of the areas reserved to the AEC. It is clear from the legislative history of section 274 that control of "operation" of such facilities includes the regulation of the radiological effects of the discharge of effluents from the facilities. (Hearings before the Joint Committee on Atomic Energy on Federal-State Relationships in the Atomic Energy Field, 86th Cong., first session, 1959, p. 306.) AEC regulations implementing section 274 recognize that intent by defining facility operation to include the discharge of radioactive effluents from the facility site (10 CFR 150.15).

be maintained for the tops and sides of all accessible structures within the protected area. This interpretation is consistent with that given by the Commission's staff to affected licensees and applicants at a series of regional meetings held in March of 1977 and will be reflected in forthcoming revisions to NUREG 0220, Draft Interim Acceptance Criteria for a Physical Security Plan for Nuclear Power Plants (March 1977).

(d) 10 CFR 73.55(d)(1) provides in pertinent part: The search function for detection of firearms, explosives, and incendiary devices shall be conducted either by a physical search or by use of equipment capable of detecting such devices.

(e) The requester contends that until "equipment capable of detecting such devices" is in place, a licensee need not comply with the search requirement, but can utilize instead previous security programs. This contention is based on the first sentence of 10 CFR 73.55 which provides in pertinent part that the requirements of paragraph (d) of that section shall be met by May 25, 1977, "except for any requirement involving construction and installation of equipment not already in place expressed in (paragraph)(d)(1) * * *". Under this sentence only those requirements of paragraph (d) which involve "construction and installation of equipment" do not take effect on May 25, 1977. Because a "physical search" does not require "construction and installation of equipment", implementation of such searches is required on May 25, 1977. The regulation provides alternative: "the search function * * * shall be conducted either by a physical search or by use of equipment * * *". Thus when appropriate equipment is in place, the search function need not involve a physical search.

(f) The paragraphs above set forth interpretation of regulations; they do not apply those regulations to particular factual settings. For example, no effort is made to state what lighting system might be used for a given facility; all that is stated is that a system must provide not less than 0.2 footcandle for all exterior areas within the protected area. Similarly, no effort is made to define what is an adequate "physical search"; all that is stated is that, in the

absence of appropriate equipment, such searches must begin on May 25, 1977.

[42 FR 33265, June 30, 1977]

PART 9—PUBLIC RECORDS

Sec.

- 9.1 Scope and purpose.
- 9.3 Definitions.
- 9.5 Interpretations.
- 9.6 Communications.
- 9.8 Information collection requirements: OMB approval.

Subpart A—Freedom of Information Act Regulations

- 9.11 Scope of subpart.
- 9.13 Definitions.
- 9.15 Availability of records.
- 9.17 Agency records exempt from public disclosure.
- 9.19 Segregation of exempt information and deletion of identifying details.
- 9.21 Publicly available records.
- 9.23 Requests for records.
- 9.25 Initial disclosure determination.
- 9.27 Form and content of responses.
- 9.28 Predisclosure notification procedures for information containing trade secrets or confidential commercial or financial information.
- 9.29 Appeal from initial determination.
- 9.31 Extension of time for response.
- 9.33 Search, review, and special service fees.
- 9.34 Assessment of interest and debt collection.
- 9.35 Duplication fees.
- 9.37 Fees for search and review of agency records by NRC personnel.
- 9.39 Search and duplication provided without charge.
- 9.40 Assessment of fees.
- 9.41 Requests for waiver or reduction of fees.
- 9.43 Processing of requests for a waiver or reduction of fees.
- 9.45 Annual report to the Attorney General of the United States.

Subpart B—Privacy Act Regulations

- 9.50 Scope of subpart.
- 9.51 Definitions.

PROCEDURES APPLICABLE TO REQUESTS BY INDIVIDUALS FOR INFORMATION, ACCESS OR AMENDMENT OF RECORDS MAINTAINED ABOUT THEM

PRESENTATION OF REQUESTS

- 9.52 Types of requests.
- 9.53 Requests; how and where presented.
- 9.54 Verification of identity of individuals making requests.
- 9.55 Specification of records.